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DIRECTORATE OF INTELLIGENCE

23 June 1983

ASEAN: Reaction to the Nakasone Visit [redacted]

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Summary

Prime Minister Nakasone's 29 April - 10 May visit to ASEAN countries was well received by the ASEAN leaders, and should contribute to the success of the upcoming ASEAN post-ministerial meeting in Bangkok. ASEAN concerns regarding the Japanese defense build-up were assuaged and Japanese support for ASEAN's position on Kampuchea was warmly welcomed. Despite the success of the visit, latent anti-Japanese sentiment in several ASEAN countries could revive should the Japanese defense program be seen to expand threateningly. [redacted]

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This memorandum was prepared by [redacted] Malaysia, Singapore, Islands Branch, Southeast Asia Division, Office of East Asian Analysis of the Directorate of Intelligence. Comments are welcome and may be directed to the Chief, Southeast Asia Division, [redacted]

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The Initial Reaction

Prime Minister Nakasone's eleven-day visit to Southeast Asia last month was a major success for both the Japanese leader and his ASEAN hosts.* Not only did the ASEAN leaders receive assurances of continued economic assistance and of the defensive nature of the Japanese military build-up, but they gained, in Nakasone, a spokesman at the Williamsburg Economic Summit. Subsequent to the summit, Indonesian Foreign Minister Mochtar publicly expressed his pleasure with Nakasone's role in conveying ASEAN concerns about global economic recovery and rising protectionism. [REDACTED]

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ASEAN leaders uniformly welcomed Nakasone's forthright style of personal diplomacy, which was instrumental in cementing personal ties - the principal accomplishment of the trip. These ties were reinforced by the Prime Minister's series of follow-up telephone calls to his hosts upon returning to Japan. [REDACTED]

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In contrast to his predecessors' past visits to the region, Nakasone focused on political issues rather than economic largesse. Particularly welcomed by the ASEAN leaders were Nakasone's strong support for the ASEAN position on Kampuchea and his pledge not to resume aid to Vietnam until the SRV demonstrates that it can co-exist peaceably with its neighbors. [REDACTED]

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Nonetheless, regional acceptance of the Prime Minister's explanation of the Japanese defense build-up was not an unqualified success. While Nakasone managed to allay official concerns over a revival of Japanese militarism, popular suspicion of Japan remains, especially in Indonesia and the Philippines, fueled by memories of the Second World War and resentment of present Japanese economic penetration of the region. [REDACTED]

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Media criticism, although subdued during the visit, was vocal both before and after. Former Indonesian Vice-President Adam Malik warned, in a newspaper interview, against Japanese exploitation of the Indonesian people, and a Jakarta daily carried letter from a former student which called for a change in the attitudes of Japanese multinationals and expressed concern over the military build-up. The leftist Jakarta daily Merdeka followed-up the Nakasone visit with an editorial cautioning against renewed Japanese interest in the Strait of Malacca. Tempo, the weekly Indonesian news magazine, ran a poignant post-visit cartoon demonstrating that however favorable official

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ASEAN-Japanese relations, Southeast Asian fears and suspicions of the Japanese remain to be resurrected given an opportunity []

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In the Philippines, newspaper editorials warned of Japan's "capability for conquest" and insisted that Nakasone back up his words with actions to ensure better economic treatment for the Philippines. []

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Nakasone's trip was free of all but two minor protest demonstrations, in Manila and Bangkok. In Manila approximately 200 protestors waved anti-Japanese banners outside a meeting of the Philippine-Japan Friendship Society which the Prime Minister was addressing, denouncing Japanese exploitation of Philippine marine resources as well as the military build-up. In Bangkok, about 20 Thai students protested outside the Japanese Embassy while Nakasone met with 50 university students who questioned him on the issue of Japanese militarism, the recent textbook controversy, and the sexual exploitation of the Southeast Asian countries by Japanese tourists. []

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Jakarta, scene of major disturbances during Prime Minister Tanaka's 1974 visit, was quiet this time despite pre-visit rumours of student demonstrations. Anti-Japanese protest was limited to the restricted circulation of a pamphlet critical of Japanese exploitation of Indonesia. []

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Bilateral Developments

Indonesia -- Nakasone's talks in Jakarta, the first leg of his six-country tour,* set the tone for the entire trip. Indonesian Foreign Minister Mochtar assessed the visit as having gone "quite well" and the Japanese Ambassador to Indonesia characterized the Nakasone - Soeharto talks as extremely cordial. Nakasone was the one to raise the topic of the defense build-up, assuring the Indonesians that the policy was solely to enhance self-defense capabilities and posed no threat to other nations. Soeharto provided a limited endorsement, commenting that it was the right of all nations to provide for their defense and Indonesia had no difficulties with this []

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*Which included Brunei. []

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Other discussions between the two leaders included Kampuchea, relations with the People's Republic of China, and the Williamsburg Economic Summit. Both Soeharto and Nakasone were in accord on the need for a political settlement in Kampuchea, the Japanese Prime Minister giving full backing in ASEAN efforts. Soeharto thanked Nakasone for conveying a PRC message that it was prepared to normalize relations with Indonesia "at any time," but said that Indonesia's willingness to restore diplomatic relations was contingent upon a change in China's attitude towards support of the outlawed PKI (Indonesia Communist Party), which is not apparent at present. Soeharto asked Nakasone to ensure that the interests of the developing nations received adequate attention at the Williamsburg Summit, to which the Prime Minister readily agreed. [REDACTED]

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During bilateral economic discussions, the Japanese agreed to increase the amount of economic assistance to Indonesia in light of its current financial difficulties, providing a \$288 million loan through the IGGI (Intergovernmental Group on Indonesia), a 7 percent increase from last year. Japan also will provide 140,000 tons of rice to Indonesia on concessionary terms, and Nakasone promised that Japan would do its best to maintain Indonesia's 15 percent share of Japanese oil imports, as well as pledging to see what could be done to increase imports of non-oil commodities. Japanese reservations about Indonesia's counterpurchase program were noted, although Nakasone promised that Tokyo would not prevent Japanese businessmen from entering into such agreements. [REDACTED]

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Thailand -- During his Bangkok visit, Nakasone reiterated Japan's support for ASEAN on the Kampuchean question, calling for the total withdrawal of Vietnamese troops from Kampuchea. He declared that Japanese economic aid to Hanoi would remain frozen until Vietnam demonstrated its willingness to coexist peacefully with its neighbors. Equally well-received by the Thai was the Prime Minister's assurance that the Japanese defense build-up was designed to provide the minimum defensive power and not to transform Japan into a military power. Thai Prime Minister Prem expressed his approval of this course stating that the increase in Japanese capabilities would "contribute to the peace and stability of the region" and was an "appropriate action under the circumstances." [REDACTED]

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While meeting Thai political and security concerns, the Nakasone visit was a mixed success for Thai economically. Although Bangkok gained a new aid package, missing was an agreement by Japan to import Thai liquified natural gas (LNG) - much sought by the Thai to offset their large trade deficit with Japan. Nakasone explained that Japan is already committed to other sources of LNG through 1990 and therefore could not entertain the Thai request, although he held out the prospect that Japan might consider Thai LNG purchases after 1990. The two

governments also discussed the extension of a \$500 million loan from the Japanese Overseas Economic Cooperation Fund (OECF) for construction of a fertilizer plant in Thailand. No commitment was given pending the result of an ongoing feasibility study. []

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Singapore -- Not surprisingly, both Singaporean and Japanese officials regarded the Nakasone visit as highly successful. Personal ties between the two national leaders were strengthened, and, [] an important start was made towards widening the scope of Japanese relations beyond purely political and economic affairs. It was, however, in these two areas that the visit had its most tangible results. The Singaporeans welcomed Japan's continued support for ASEAN's position on Kampuchea, and in return, proved to be a sympathetic audience for Nakasone's efforts to strengthen Japan's defensive capabilities. During the talks, the Japanese were encouraged by their hosts to work closely with the United States to provide a "western component" to the regional political-military balance. While the Singaporeans did not foresee a military role for Japan in Southeast Asia, they noted that a role in Northeast Asia would help maintain regional stability and relieve a US military presence spread thin by enormous economic demands. []

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The Foreign Ministers' meeting produced the sole discordant note when Japanese Foreign Minister Abe raised the possibility of increased aid to Laos. This tentative probe received a very cool reception from the Singaporeans, who, in contrast to the Thai, saw no distinction between Laos and Vietnam on the Kampuchean issue, and suggested that the matter be deferred to the ASEAN June ministerial meeting in June. []

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Because of Singapore's status as a NIC, no direct economic assistance in the form of official development aid loans was pledged by the Japanese. Supporting President Soeharto's suggestion that Nakasone act as a spokesman for the developing nations at the Williamsburg Summit, the Singaporeans hoped that the conference would be used to give the world economic recovery a psychological boost. []

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Malaysia -- Nakasone used this stop to deliver a major policy statement, which, although devoid of any surprises, did emphasize the maturing relationship between Japan and ASEAN and their growing commonality of interests, proclaiming that "without the prosperity of ASEAN, there is no prosperity of Japan." [REDACTED]

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The visit not only strengthened bilateral ties between the two nations but Malaysian Prime Minister Mahathir's determination to pursue his "Look East Policy". Nakasone made a point of commending Mahathir's policy which promotes Malaysian - Japanese technical and economic cooperation, and agreed to consider easing the repayment terms of an earlier announced \$213 million loan. For his part, Mahathir took advantage of the visit to blast both foreign and domestic critics of his "Look East Policy", labeling them "irresponsible culprits". [REDACTED]

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Looking Ahead

We believe the good working relationship established between the ASEAN leaders and Nakasone will make for a successful ASEAN post-ministerial meeting at Bangkok at the end of this month. No contentious issues are scheduled to arise and Japan seems content to follow ASEAN's lead on Indochina. [REDACTED]

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In the longer term, we believe the Japanese defense build-up will continue to be accepted by the ASEAN states as long as Tokyo does not acquire offensive systems, present constitutional restrictions are preserved, and a US military presence in the region is maintained. Should any of these conditions alter, however, we believe official ASEAN concerns would increase accordingly and could lead to friction in ASEAN - Japanese relations. [REDACTED]

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A failure by Nakasone to fulfill pledges made during his trip, particularly regarding trade, would also adversely affect relations with ASEAN. Should Japanese economic and technical assistance fail to achieve the levels anticipated by the ASEAN nations over time, disillusionment could set in. For some ASEAN leaders, such as Malaysian Prime Minister Mahathir, this could mean increased domestic criticism because he is closely identified with Japan. [REDACTED]

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